

**LIVE OAK MANOR VOLUNTEER  
FIRE COMPANY, INC.  
FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2011**

*Camnetar & Co., CPAs*  
a professional accounting corporation

## TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Cash Flows.....	4
Notes to Financial Statements.....	5 - 8
COMPLIANCE AND INTERNAL CONTROL SECTION	
Report on Compliance and on Internal Control Over Financial reporting based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	9 - 10
Schedule of Findings and Questioned Costs.....	11
Schedule of Prior Year Findings.....	12
Management's Corrective Action Plan.....	13

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Live Oak Manor Volunteer Fire Company, Inc.

We have audited the accompanying statement of financial position of Live Oak Manor Volunteer Fire Company, Inc. (a non-profit organization) as of and for the year ended December 31, 2011 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Live Oak Manor Volunteer Fire Company, Inc. as of December 31, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012 on our consideration of the Live Oak Manor Volunteer Fire Company, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Camnetar & Co., CPAs  
a professional accounting corporation

Gretna, Louisiana  
June 25, 2012

## **FINANCIAL STATEMENTS**

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2011**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 214,586
Due from Jefferson Parish	<u>13,183</u>

Total current assets	227,769
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PROPERTY, PLANT AND EQUIPMENT, (NET)	<u>61,747</u>
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**OTHER ASSETS**

Due from Jefferson Parish	<u>114,531</u>
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Total other assets	114,531
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TOTAL ASSETS	<u><u>\$ 404,047</u></u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Current maturities of long-term debt	\$ 13,417
Accrued liabilities	<u>1,495</u>

Total current liabilities	14,912
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**LONG-TERM LIABILITIES**

Note payable	<u>114,531</u>
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Total long-term liabilities	114,531
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**NET ASSETS**

Unrestricted	<u>274,604</u>
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Total net assets	<u>274,604</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 404,047</u></u>
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The accompanying notes are an integral part of this statement.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

UNRESTRICTED NET ASSETS

REVENUE

Jefferson Parish	\$ 780,000
State insurance rebates	14,303
State supplemental pay	43,966
Miscellaneous	22,446
Interest	<u>207</u>

Total revenue	860,922
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EXPENSES

Administrative	47,179
Firefighting	<u>597,575</u>

Total expenses	<u>644,754</u>
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INCREASE IN UNRESTRICTED NET ASSETS	216,168
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NET ASSETS-BEGINNING OF YEAR	<u>58,436</u>
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NET ASSETS - END OF YEAR	<u><u>\$ 274,604</u></u>
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The accompanying notes are an integral part of this statement.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$	216,168
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense		12,152
Increase in receivables		13,016
Decrease in accrued liabilities		<u>(3,064)</u>
Net cash provided by operating activities		238,272
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases/dispositions of property and equipment		<u>(16,470)</u>
Net cash used in investing activities		(16,470)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of note payable		<u>(12,782)</u>
Net cash used in financing activities		(12,782)
NET DECREASE IN CASH AND CASH EQUIVALENTS		209,020
CASH AND CASH EQUIVALENTS - beginning of year		<u>5,566</u>
CASH AND CASH EQUIVALENTS - end of year	\$	<u>214,586</u>

The accompanying notes are an integral part of this statement.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DESCRIPTION OF ACTIVITIES

Live Oak Manor Volunteer Fire Company, Inc. (a non-profit organization) was established to provide fire fighting to a prescribed sector of the 7<sup>th</sup> Fire District, Parish of Jefferson. Live Oak Manor Volunteer Fire Company, Inc. received the vast majority of its financial support from the Parish of Jefferson.

A summary of the Live Oak Manor Volunteer Fire Company, Inc.'s significant accounting policies applied in the preparation of the accompanying financial statements follows.

BASIS OF ACCOUNTING AND PRESENTATION

The financial statements are prepared on the accrual basis. Under that basis, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, information regarding financial position and activities is reported according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets and a statement of cash flows is required. As of December 31, 2011, Live Oak Manor Volunteer Fire Company, Inc. had only unrestricted net assets.

The statement of activities presents expenses functionally between program services for firefighting, general and administrative, and fund raising. Those expenses, which cannot be functionally categorized, are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

COMPENSATED ABSENCES

A liability has not been recorded for accumulated vacation or sick leave because it is nonvesting.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of building improvements, fire and office equipment, and furniture and fixtures which are carried at cost or estimated historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements since there are no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's fire fighting activities.



**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-**  
**(CONTINUED)**

**INCOME TAXES**

The fire company is exempt from income taxes under Internal Revenue Code section 501(c) (4) as a nonprofit organization and thus these financial statements contain no provision for income taxes.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less, including amounts whose use is limited by board designation.

**SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION**

Cash paid during the year for:

Interest	\$ 207
Taxes	-

**USE OF ESTIMATES**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and income and expenses during the reporting period. Actual results could differ from those estimates.

**ON-BEHALF PAYMENTS**

Supplemental pay which is paid directly to employees of Live Oak Manor Volunteer Fire Company by the State of Louisiana, Department of Public Safety, is recognized as revenue and salary expenses in the year in which paid. For the year ended December 31, 2010, the amount recognized as revenue and expenses was \$43,966.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Following is a schedule of cash balances in financial institutions for the year ended December 31, 2011:

	Balance
	<u>12/31/11</u>
Petty cash	<u>\$ -</u>
Capital One Bank:	
Checking	67,140
Savings	<u>147,446</u>
	<u><u>\$214,586</u></u>

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)**

Concentrations of Credit Risk – For the year December 31, 2011 cash balances were maintained in one financial institution located in New Orleans area. The bank balances were \$ 223,058, of which were entirely secured by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 3 – DUE FROM JEFFERSON PARISH**

The organization is obligated on a lease purchase agreement for a fire truck owned by the Jefferson Parish Government as described in Note 5. The amount reflected as Due from Jefferson Parish is the obligation by the parish to fund these lease payments and is reflected as follows:

Due from Jefferson Parish	
Current Assets	\$ 13,417
Other Assets	\$ 114,531

**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of changes in the Property, Plant and Equipment during the year ended December 31, 2011:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Land	\$ 2,700	\$ -	\$ -	\$ 2,700
Fire Fighting Equipment	663,466	11,481	-	674,947
Building & Improvements	17,008	-	-	17,008
Furniture & Fixture	42,644	4,989	-	47,633
	725,818	16,470	-	742,288
Less				
Accumulated Depreciation	668,389	12,152		680,541
Net Property, Plant and Equipment	\$ 57,429	\$ 4,318	\$ -	\$ 61,747

Depreciation expense for the year ended December 31, 2011 was \$12,152.

Property and equipment does not include fire trucks donated by the Fire Department to Jefferson Parish. The Fire Department receives subsidies from Jefferson Parish for the purchase of fire trucks, which the Fire Department donated back to the Parish. During the year ended December 31, 2011 the Fire Department received \$ 20,000 for the note payment of a new fire truck.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 5 – NOTE PAYABLE**

The Organization incurred debt on the acquisition of a new fire truck in the year ended December 31, 2010. Although the organization does not retain legal title to this asset it is obligated under a lease purchase agreement with Government Capital Corporation dated July 26, 2010 requiring annual payments of \$19,766.77 over a ten year period at an interest rate of 4.9%. This annual obligation is funded through the Jefferson Parish Government and is reflected as an asset (Due from Jefferson Parish) on the organization's Statement of Financial Position.

The annual requirements to amortize all notes outstanding at December 31, 2011 are as follows:

Period Ending December 31,	Principal	Interest	Total
2012	13,417	6,350	19,767
2013	14,083	5,684	19,767
2014	14,781	4,986	19,767
2015	15,515	4,252	19,767
2016-2019	70,152	8,914	79,066
Totals	<u>\$ 127,948</u>	<u>\$ 30,186</u>	<u>\$ 158,134</u>

**NOTE 6 – DATE OF MANAGEMENT'S REVIEW**

The Organization has evaluated subsequent events through June 25, 2011, the date which the financial statements were available to be issued.

## **COMPLIANCE AND INTERNAL CONTROL SECTION**

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Live Oak Manor Volunteer Fire Company, Inc.

We have audited the financial statements of the Live Oak Manor Volunteer Fire Company, Inc. (a non-profit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of Live Oak Manor Volunteer Fire Company, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we Live Oak Manor Volunteer Fire Company, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the operations fund financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Live Oak Manor Volunteer Fire Company, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Live Oak Manor Volunteer Fire Company, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the members of the Live Oak Manor Volunteer Fire Company, Inc.'s management and others within the organization, the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Camnetar & Co.*

*Camnetar & Co., CPAs*

a professional accounting corporation

Gretna, Louisiana

June 25, 2012

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

We have audited the financial statements of the Operations Fund of the Live Oak Manor Volunteer Fire Company, Inc. as of and for the year ended 2011 and have issued our report thereon dated June 25, 2012. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "*Government Auditing Standards*", issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses      ☐ Yes   ☒ No      Significant Deficiencies   ☐ Yes   ☒ No

Compliance

Compliance Material to Financial Statements      ☐ Yes   ☒ No

**Section II Financial Statement Findings**

**A. Issues of Non Compliance**

NONE

**B. Significant Deficiencies**

NONE

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Section I Internal Control and Compliance Material to the Financial Statements**

**Finding 2010-1**      Late filing of Financial Statements - The Organization did not comply with state law, which requires financial statements to be completed prior to six months from the Organization's fiscal year end. (Resolved)

**Section II Management Letter**

NONE



**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.  
MANAGEMENT CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Section I Internal Control and Compliance Material to the Financial Statements**

NONE

**Section II Management Letter**

NONE